

# SENATE BILL 834

M5, C5

6lr3294

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By: **Senators Hershey and Ready**

Introduced and read first time: February 6, 2026

Assigned to: Education, Energy, and the Environment

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## A BILL ENTITLED

1 AN ACT concerning

2 **Energy Efficiency and Conservation Programs, Services, and Plans –**  
3 **Moratorium**

4 FOR the purpose of prohibiting a unit of State government from implementing or enforcing,  
5 after a certain date, certain provisions of law relating to energy efficiency and  
6 conservation programs, services, and plans that support certain greenhouse gas  
7 emissions reduction goals and targets; requiring the Public Service Commission to  
8 continue certain rate-making policies until certain electric companies and gas  
9 companies have recovered certain costs; requiring the Commission to report to the  
10 General Assembly once a certain event has occurred and include in the report a  
11 certain recommendation; and generally relating to energy efficiency and  
12 conservation programs, services, and plans.

13 BY repealing and reenacting, with amendments,  
14 Article – Public Utilities  
15 Section 7–222(d)  
16 Annotated Code of Maryland  
17 (2025 Replacement Volume and 2025 Supplement)

18 BY adding to  
19 Article – Public Utilities  
20 Section 7–226.1  
21 Annotated Code of Maryland  
22 (2025 Replacement Volume and 2025 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
24 That the Laws of Maryland read as follows:

25 **Article – Public Utilities**

26 7–222.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(d) The Commission shall encourage and promote the efficient use and conservation of energy in support of the greenhouse gas emissions reduction goals and targets required under Title 2, Subtitle 12 of the Environment Article, established by the Commission under § 7–223(b) of this subtitle, and specified in § 7–224(a)(2) of this subtitle by:

(1) requiring each electric company and gas company to establish any program or service that the Commission determines to be appropriate and cost-effective;

(2) adopting rate-making policies that provide, through a surcharge line item on customer bills:

(i) full cost recovery of reasonably incurred costs for programs and services established under item (1) of this subsection, including full recovery on a current basis on or before January 1, 2028;

(ii) on or before December 31, 2032, the elimination of any unpaid costs and unamortized costs that:

1. A. existed on December 31, 2024; or

B. were incurred before [January 1, 2028] **JULY 1, 2026;**

and

2. were accrued for the purpose of achieving statutory targets for annual incremental gross energy savings;

(iii) compensation for any unpaid costs and unamortized costs under item (ii) of this item at not more than each electric company's and each gas company's average cost of outstanding debt; and

(iv) reasonable financial performance incentives and penalties for investor-owned electric companies and gas companies, as appropriate; and

(3) ensuring that adoption of electric customer choice under Subtitle 5 of this title and gas customer choice under Subtitle 6 of this title does not adversely impact these goals and targets.

**7–226.1.**

**(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, BEGINNING ON JULY 1, 2026, A UNIT OF STATE GOVERNMENT MAY NOT IMPLEMENT OR ENFORCE THE PROVISIONS OF §§ 7–222 THROUGH 7–226 OF THIS SUBTITLE.**

1       **(B) THE COMMISSION SHALL CONTINUE RATE-MAKING POLICIES IN**  
2 **ACCORDANCE WITH § 7-222(D)(2)(II) OF THIS SUBTITLE UNTIL EACH ELECTRIC**  
3 **COMPANY AND GAS COMPANY HAS RECOVERED ALL UNPAID COSTS AND**  
4 **UNAMORTIZED COSTS THAT THE ELECTRIC COMPANY OR GAS COMPANY INCURRED**  
5 **ON OR BEFORE JULY 1, 2026, FOR THE DEVELOPMENT AND IMPLEMENTATION OF**  
6 **PROGRAMS REQUIRED UNDER § 7-222(D)(2)(I) OF THIS SUBTITLE THAT EXISTED ON**  
7 **OR BEFORE JULY 1, 2026.**

8       SECTION 2. AND BE IT FURTHER ENACTED, That:

9       (a) The Public Service Commission shall report to the General Assembly, in  
10 accordance with § 2-1257 of the State Government Article, within 3 months after all electric  
11 companies and gas companies subject to the provisions of Title 7, Subtitle 2, Part II of the  
12 Public Utilities Article have recovered all unpaid costs and unamortized costs in accordance  
13 § 7-226.1(b) of the Public Utilities Article, as enacted by Section 1 of this Act.

14       (b) The report submitted under subsection (a) of this section shall include a  
15 recommendation on whether the moratorium established in § 7-226.1(a) of the Public  
16 Utilities Article, as enacted by Section 1 of this Act, should be rescinded.

17       SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
18 1, 2026.